

## Environmental Protection Agency

## § 74.46

timely basis a confirmation report, in accordance with paragraph (c)(2) of this section, with regard to the estimate of reductions in heat input as defined under paragraph (c)(2)(i)(A) of this section, then the Administrator will reject such estimate and correct it to equal zero in the opt-in source's annual compliance certification report that includes that estimate. The Administrator will deduct immediately, on a first-in, first-out basis under § 73.35(c)(2) of this chapter, the amount of allowances that he or she determines is necessary to offset any increase in excess emissions of sulfur dioxide that

results from the correction and will require the owners and operators of the opt-in source to pay an excess emission penalty in accordance with part 77 of this chapter.

(F) If the opt-in source is governed by an approved thermal energy plan under § 74.47 and if the opt-in source must submit a confirmation report as specified under paragraph (c)(2) of this section, the adjusted amount of allowances that should remain in the opt-in source's compliance subaccount shall be calculated as follows:

Adjusted amount of allowances =

$$\text{Allowances allocated or acquired} - \text{tons emitted} - \text{the larger of} \left( \begin{array}{l} \text{allowances transferred} \\ \text{to all replacement units} \\ \text{or} \\ \text{allowances deducted} \\ \text{for reduced utilization} \end{array} \right)$$

where,

"Allowances allocated or acquired" shall be the number of allowances held in the source's compliance subaccount at the allowance transfer deadline plus the number of allowances transferred for the previous calendar year to all replacement units under an approved thermal energy plan in accordance with § 74.47(a)(6).

"Tons emitted" shall be the total tons of sulfur dioxide emitted by the opt-in source during the calendar year, as reported in accordance with subpart F of this part for combustion sources.

"Allowances transferred to all replacement units" shall be the sum of allowances transferred to all replacement units under an approved thermal energy plan in accordance with § 74.47 and adjusted by the Administrator in accordance with § 74.47(d)(2).

"Allowances deducted for reduced utilization" shall be the total number of allowances deducted for reduced utilization as calculated in accordance with this section including any adjustments required under paragraph (c)(iii)(E) of this section.

[60 FR 17115, Apr. 4, 1995, as amended at 63 FR 18841, Apr. 16, 1998]

### § 74.45 Reduced utilization for process sources. [Reserved]

### § 74.46 Opt-in source permanent shutdown, reconstruction, or change in affected status.

(a) *Notification.* (1) When an opt-in source has permanently shutdown during the calendar year, the designated representative shall notify the Administrator of the date of shutdown, within 30 days of such shutdown.

(2) When an opt-in source has undergone a modification that qualifies as a reconstruction as defined in § 60.15 of this chapter, the designated representative shall notify the Administrator of the date of completion of the reconstruction, within 30 days of such completion.

(3) When an opt-in source becomes an affected unit under § 72.6 of this chapter, the designated representative shall notify the Administrator of such change in the opt-in source's affected status within 30 days of such change.

(b) *Administrator's action.* (1) The Administrator will terminate the opt-in source's opt-in permit and deduct allowances as provided below in the following circumstances:

(i) When an opt-in source has permanently shutdown. The Administrator

shall deduct allowances equal in number to and with the same or earlier compliance use date as those allocated to the opt-in source under § 74.40 for the calendar year in which the shut down occurs and for all future years following the year in which the shut down occurs; or

(ii) When an opt-in source has undergone a modification that qualifies as a reconstruction as defined in § 60.15 of this chapter. The Administrator shall deduct allowances equal in number to and with the same or earlier compliance use date as those allocated to the opt-in source under § 74.40 for the calendar year in which the reconstruction is completed and all future years following the year in which the reconstruction is completed; or

(iii) When an opt-in source becomes an affected unit under § 72.6 of this chapter. The Administrator shall deduct allowances equal in number to and with the same or earlier compliance use date as those allocated to the opt-in source under § 74.40 for the calendar year in which the opt-in source becomes affected under § 72.6 of this chapter and all future years following the calendar year in which the opt-in source becomes affected under § 72.6; or

(iv) When an opt-in source does not renew its opt-in permit. The Administrator shall deduct allowances equal in number to and with the same or earlier compliance use date as those allocated to the opt-in source under § 74.40 for the calendar year in which the opt-in source's opt-in permit expires and all future years following the year in which the opt-in source's opt-in permit expires.

(2) After the allowance deductions under paragraph (b)(1) of this section are made, the Administrator will close the opt-in source's unit account in the Allowance Tracking System. If any allowances remain in the opt-in source's unit account after allowance deductions are made under paragraph (b)(1) of this section, and any deductions made under part 77 of this chapter, the Administrator will establish a general account for the opt-in source, and transfer any remaining allowances into this general account. The designated representative for the opt-in source

shall become the authorized account representative for the general account.

**§ 74.47 Transfer of allowances from the replacement of thermal energy—combustion sources.**

(a) *Thermal energy plan*—(1) *General provisions.* The designated representative of an opt-in source that seeks to qualify for the transfer of allowances based on the replacement of thermal energy by a replacement unit shall submit a thermal energy plan subject to the requirements of § 72.40(b) of this chapter for multi-unit compliance options and this section. The effective period of the thermal energy plan shall begin at the start of the calendar quarter (January 1, April 1, July 1, or October 1) for which the plan is approved and end December 31 of the last full calendar year for which the opt-in permit containing the plan is in effect.

(2) *Applicability.* This section shall apply to any designated representative of an opt-in source and any designated representative of each replacement unit seeking to transfer allowances based on the replacement of thermal energy.

(3) *Contents.* Each thermal energy plan shall contain the following elements in a format prescribed by the Administrator:

(i) The calendar year and quarter that the thermal energy plan takes effect, which shall be the first year and quarter the replacement unit(s) will replace thermal energy of the opt-in source;

(ii) The name, authorized account representative identification number, and telephone number of the designated representative of the opt-in source;

(iii) The name, authorized account representative identification number, and telephone number of the designated representative of each replacement unit;

(iv) The opt-in source's account identification number in the Allowance Tracking System;

(v) Each replacement unit's account identification number in the Allowance Tracking System (ATS);

(vi) The type of fuel used by each replacement unit;